

NSC BRIEFING

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14 August 1958

MIDDLE EAST DEVELOPMENTS

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II. Nasir and aides apparently now working on details for some new kind of association to include Iraq and probably Saudi Arabia.

- A. Hints we have seen so far suggest a new Arab League--old one meets 7 Sept--composed only of those states which adopt "liberate"--i.e., Nasir neutralist--foreign policies.
- B. UAR Vice President Gen Amir doing much of the leg work on this--he has been in Damascus this week while Nasir reported on "vacation"--and a communique could come at any time.
- C. Saudi Crown Prince Faysal told Ambassador Heath no agreements signed during Amir's visit last week to Saudi Arabia. But Faysal clearly indicated, while protesting his friendship for US, that he has embarked on policy of close relations with Nasir and has adopted Nasir's hostile attitude toward King Husayn of Jordan and the pro-Western elements of Lebanon. May be significant that Ambassador was refused audience with King Saud at this time.

State Department
review completed

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III. New Syrian budget approved by Nasir this week with planned \$130,000,000 expenditure far in excess normal revenues. New effort by UAR to raise tolls on Western-owned pipelines from Iraq and Saudi Arabia to Mediterranean may be forthcoming. Note: about 58 percent of budget is going for "security," including Soviet Bloc arms purchases.

Approved For Release 2005/06/01 : CIA-RDP79R00890A001000040035-4

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